

CHATTEL MORTGAGE and SECURITY AGREEMENT

RECORDATION NO. 262B Filed & Recorded
JUL 1 1974 - 10:00 AM

INTERSTATE COMMERCE COMMISSION

KNOW ALL MEN BY THESE PRESENTS that EMONS LEASING CO., INC. (Leasing), in consideration of \$1.00 to it paid by CENTRAL PENN NATIONAL BANK (Bank), receipt of which is hereby acknowledged, does hereby bargain, sell and convey to Bank, its successors and assigns, and does hereby grant to Bank a security interest in and lien upon (under the Uniform Commercial Code, as amended, or other appropriate law) all those certain railroad boxcars used or intended to be used in interstate commerce listed in Exhibit A attached hereto.

TO HAVE AND TO HOLD the said railroad boxcars so bargained, sold and conveyed, or intended to be, unto the said Bank, its successors and assigns.

The condition of this Chattel Mortgage and Security Agreement is that, if Leasing shall pay or cause to be paid to Bank the aforementioned sum and such other sums as Leasing shall have borrowed from Bank under that certain Loan Agreement between Leasing and Bank dated the fifth day of April, 1974, which is incorporated herein by reference as though fully set forth, and fully and faithfully perform all of Leasing's obligations herein and therein contained, then this Chattel Mortgage and Security Agreement shall be void; otherwise, it shall remain in full force and effect.

Leasing warrants to Bank that on the date hereof it is the absolute owner of the said railroad boxcars, free and clear of all liens, encumbrances and adverse claims, other than the interest herein bargained, sold and granted to Bank.

Unless and until Leasing shall fail or refuse to perform, or be in breach of, any of the foregoing covenants and agreements or an event of default shall occur under the said Loan Agreement, Leasing hereby lets and demises from Bank the right of possession and use of the said railroad boxcars for the purpose of selling said railroad boxcars to the Maryland and Pennsylvania Railroad Co.

Leasing hereby covenants to keep, or cause to be kept, the said railroad boxcars in good condition and repair.

Should Leasing fail or refuse to perform any of the foregoing covenants and agreements, or upon the happening of an event of default as defined in the aforesaid Loan Agreement, Bank may exercise all its rights and remedies set forth in the Loan Agreement, including the right to take possession of the railroad boxcars hereby mortgaged, and may exercise any of its rights under the Uniform Commercial Code, as amended, and other applicable laws.

This Chattel Mortgage and Security Agreement shall be binding upon and inure to the benefit of the successors and assigns of Leasing and Bank.

EXECUTED this 21st day of June, 1974.

Attest:

EMONS LEASING CO., INC.

Melvin L. Slade

By Robert Grossman, Pres.

(Seal)

STATE OF *Pennsylvania*:
COUNTY OF *Philadelphia* : SS.

BEFORE ME, a Notary Public in and for the State and County
aforesaid, personally appeared *Robert Grossman*, to me
known to be the individual who executed the foregoing Chattel Mort-
gage and Security Agreement on behalf of EMONS LEASING CO., INC., and
acknowledged to me that he is the *President* of EMONS LEASING
CO., INC. and that he executed the said Chattel Mortgage and Security
Agreement on its behalf as the act and deed of the corporation, for
the uses and purposes therein mentioned.

WITNESS my hand and official seal this *21st* day of
June, 1974.

Pearl H. Leering
Notary Public

My Commission Expires: *1/29/75*

June 12, 1974

EXHIBIT "A"

40 Fifty ton 40' 6" woodlined general purpose box cars, class
"XM" which have been completely rebuilt according to "AAR"
and "ICC" rules and regulations

Present Markings

MPA 15119
15120
15122
15150
15151
15154
15192
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15200
15201
15202
15204
15205
15206
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15211
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15217
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15219
16128
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16136
16137
16141
16142
16143

Former Markings

PC 106641
106990
NYC 173456
173005
173092
173141
173124
172915
172673
173401
173451
173441
173391
173193
173021
173365
173001
173484
173237
173408
PC 106797
NYC 172869
172895
172694
172938
172638
173337
172504
PC 106546
NYC 179850
179169
179047
179728
179861
NYC 179645
179665
179918
179690
179948
179789

SUBORDINATION AGREEMENT

MARYLAND AND PENNSYLVANIA RAILROAD CO. hereby acknowledges notice of the foregoing Chattel Mortgage and Security Agreement in favor of CENTRAL PENN NATIONAL BANK.

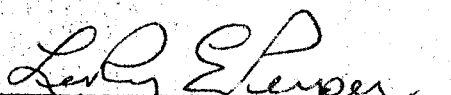
In consideration of \$1.00, and intending to be legally bound, Maryland and Pennsylvania Railroad Co. hereby agrees that all its rights as Vendee under the Conditional Sale Agreement dated June 12, 1974 in the railroad boxcars covered thereby are subordinated in all respects to the rights of Central Penn National Bank, as mortgagee in the aforementioned Chattel Mortgage.

MARYLAND AND PENNSYLVANIA RAILROAD CO.

By Robert Grossman, V.P.

Date June 21, 1974
(Seal)

I hereby certify that the
within CHATTEL MORTGAGE AND
SECURITY AGREEMENT dated
June 21, 1974, is a true and
correct copy of the original.


Leroy E. Perper

LeROY E. PERPER

WHITE and WILLIAMS

LAND TITLE BUILDING

PHILADELPHIA - 19106

LO 3-0771